Benefits
for
FERS Reemployed Annuitants

As a reemployed annuitant, you are in a different category as an employee.

The benefits summarized in this pamphlet pertain to both Title 5 and Title 38 employees.

As a recipient of these benefits, it is important that you have a basic understanding of them. This is especially important when it is time to change, access, to take other actions relating to your benefits.

Additional information regarding Federal benefits can be obtained from your local Human Resources office or by visiting the Worklife and Benefits Service's Web site at **http://vaww1.va.gov/ohrm/Benefits/Benefits.htm**.

Department of Veterans Affairs
Worklife and Benefits Service (058)
Office of Human Resources and Administration
VACO – Washington, DC
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Retirement

As a reemployed annuitant, retirement deductions will be withheld from your pay even if you are reemployed under a temporary appointment and receiving annuity benefits (unless your appointment is intermittent).

Federal Employees Retirement System (FERS) retirement deductions are mandatory.

Exception: If you received a waiver of the offset of your pay, you are not eligible to contribute to the retirement system. You will contribute only to "FICA" (Social Security). Contact your local Human Resources office if you have questions regarding the waiver.

Did you know…?

As a reemployed annuitant, if you have completed one year of continuous full-time employment (or part-time equivalent to at least 1 year of full-time employment), you may be eligible for a supplemental annuity. A supplemental annuity means that an annuity will be added to your present annuity.

If you work full-time for at **least 5 years** (or part-time equivalent), you may elect a **redetermined annuity**. A redetermined annuity is one that is recalculated and takes the place of your current annuity.

A new retirement application must be submitted at the time of your separation if you qualify for a supplemental or redetermined annuity. Your separation action will be either a resignation or termination (if your appointment ends).

Note: Reemployed annuitants who have the waiver of the offset of pay are not eligible for a supplemental or redetermined annuity.

About the Offset of Salary

If your annuity continues, your salary will be offset by the allocable amount of your annuity (unless you have a waiver of the offset).

For more information about the offset of salary, contact your local Human Resources office.

Federal Employees Health Benefits (FEHB) Program

If you are enrolled under the FEHB program as an *annuitant* and you are hired in a position that does not exclude FEHB coverage, your FEHB will be transferred from your retirement system to the Department of Veterans Affairs. FEHB premiums will be deducted from your pay as an employee, not from your annuity. **(The above applies only if you participate in Premium Conversion.)** If you waive participation in Premium Conversion, you will keep your FEHB coverage as an annuitant and your premiums will be deducted on an after-tax basis. If you are not enrolled in the FEHB program as an annuitant, and you are eligible to enroll as an employee, you may do so **within 60 days from the date you first became employed.** You must complete a SF-2809, Employee Health Benefits Election form.

If you do not enroll in the FEHB program, you will not be able to obtain health insurance until an open season or you have a qualifying life event. FEHB Open Season occurs each year during November and December.

If you are enrolled in the FEHB program and hired under a temporary appointment (1 year or less), you would not be eligible to participate in the FEHB program. If you carried FEHB into retirement, your FEHB would continue as an annuitant and withholdings would continue to be made from your annuity.

To learn more about the FEHB program and review plan brochures, go to ***www.opm.gov/insure/health/index.asp***.

Reminder: FEHB Open Season occurs each year during November and December!

Federal Employees Health Benefits (FEHB) Premium Conversion

Premium Conversion is a "pre-tax" arrangement, which means that the part of your salary that goes for health insurance premiums is non-taxable. That means that you save on Federal Income tax and FICA tax.

You will automatically be enrolled in Premium Conversion if you are employed in a position that is not excluded from FEHB coverage unless you elect to waive it.

If you do not wish to participate in Premium Conversion, you must complete the FEHB Premium Conversion Waiver/Election form within 60 calendar days from the date you became eligible. Contact your local Human Resources office for assistance.

To find out more about Premium Conversion, go to **www.opm.gov/insure/health/pretaxfehb/index.asp**.

Flexible Spending Accounts (FSA)

The Federal Flexible Benefits Plan ("FedFlex") enables eligible employees to pay for certain benefits with pre-tax dollars. FSA elections are completely voluntary. You may choose to make a voluntary allotment from your salary to your FSAFEDS account(s) and you will not pay employment or income taxes on your allotments.

Two FSAs are offered to eligible employees:

Health Care FSA (HCFSA), through which employees may use pre-tax allotments to pay for certain health care expenses that are not reimbursed by FEHB or any other source and not claimed on the participant's income tax return. The maximum amount an employee may set aside in any tax year is $4,000 and the minimum amount is $250.

Dependent Care FSA (DCFSA), through which employees may use pre-tax allotments to pay for eligible dependent care expenses.

The maximum amount an employee may set aside in any tax year is $5,000 ($2,500 if the employee is married and filing a separate income tax return) and the minimum amount is $250.

To find out more about the FSA program and/or to enroll in one of the FSAs, visit their Web site at **https://www.fsafeds.com/fsafeds/index.asp**.

Federal Long Term Care Insurance (FLTCI) Program

In addition to the FEHB program, VA offers FLTCI. The need for long term care usually arises from age, chronic illness, injury, or disability. To find out more about the FLTCI Program, visit the LTC Partners Web site at **www.ltcfeds.com**.

Federal Employees' Group Life Insurance (FEGLI) Program

If you are reemployed under conditions which terminate your annuity, your life insurance coverage as a retiree also ends, without the right to convert to an individual policy. You can, however, acquire life insurance as an employee, if you are reemployed in a position that does not exclude coverage.

If your annuity continues during your reemployment and you are reemployed in a position that is not excluded from life insurance coverage, you will retain any Basic and Optional life insurance coverage you had as a retiree.

Basic Life, Option A, and Option C

If you are reemployed in a position that does not exclude FEGLI coverage, you will automatically acquire Basic Life and any Option A and Option C coverage you had as a retiree unless you waive all insurance coverage.

You are eligible for **Option A - Standard** insurance unless you have on file a valid waiver of Basic life insurance or Option A insurance. You can acquire **Option C - Family** insurance as an *employee,* unless you have on file a valid waiver of Basic life insurance or Option C.

If you acquire the above life insurance coverages as an *employee,* VA will withhold the FEGLI premiums from your salary, and suspend your Basic Life, Option A, and Option C coverages during your reemployment. After VA notifies the Office of Personnel Management, they will stop withholding premiums for your Basic, Option A, and Option C coverage.

Option B – If you are reemployed in a position that is not excluded from FEGLI coverage, you are eligible for **Option B – Additional** insurance; unless you have on file a valid waiver of Basic life insurance or Option B insurance. If you have this coverage as a retiree, it will continue unless you file an election of Option B insurance on a SF-2817, Life Insurance Election form **within 31 days** after you are reemployed.

Premiums will then be withheld from your salary. **Important: When you complete the SF-2817, you must fill it out completely to reconfirm all life insurance coverage, not just Option B.** If you elect Option B as an employee, your Option B coverage as a retiree (including any premiums withheld from your annuity) will be suspended during your reemployment.

For more information on the FEGLI Program and how it pertains to reemployed annuitants, go to **www.opm.gov/insure/life/fegli1.asp**.

> **Important:** Any waiver of life insurance you file with VA as a reemployed annuitant applies not only to your life insurance as an employee, but also to the insurance you have as a retiree!

Thrift Savings Plan (TSP)

As a FERS reemployed annuitant, you may make contributions to TSP regardless of the type of appointment you hold.

Exception: You would not be eligible to participate in the TSP program if you are hired on an intermittent basis or if you have a waiver of the offset of pay.

For more information regarding TSP, contact your local Human Resources office.

FERS employees can currently contribute up to 15% of their basic pay and receive an automatic 1% agency contribution. The Federal Government will match contributions dollar for dollar for the first 3% and fifty cents for each dollar for the next 2 %. If you elect not to participate in TSP, the Federal Government will still automatically contribute an amount equal to 1% of your basic pay to your TSP account.

As a TSP participant, you can invest a certain portion of your salary in any one or a combination of **five funds:**

G Fund (Government Securities Investment Fund)

F Fund (Fixed Income Index Investment Fund)

C Fund (Common Stock Index Investment Fund)

I Fund (International Stock Index Investment Fund)

S Fund (Small Capitalization Stock Index Investment Fund)

Employees may also choose one of the new **L Funds**. The L funds are **"lifecycle funds"** that are invested according to a professionally determined mix of stocks, bonds, and securities. The L funds are based on your time horizon (that is, when you expect to need the money in your account). Choose the L fund that matches your time horizon.

- **L 2040 – 2035 and later**
- **L 2030 – 2025 through 2034**
- **L 2020 – 2015 through 2024**
- **L 2010 – 2008 through 2014**
- **L Income – Currently (or before 2008)**

Investment experts have combined the individual TSP funds (G, F, C, S, and I Funds) in percentages that are appropriate for each L Fund's time horizon. L Funds with farther time horizons (for example, L 2040) are focused on growth, and therefore are invested more aggressively, with higher percentages in foreign and domestic stocks (the C, S, and I Funds) and lower percentages in Government securities (the G Fund).

To participate in TSP you must complete a TSP-1, TSP Election form. You can begin contributing to the TSP at any time. **(Note: If you were reemployed within 30 days of your separation, your contributions will resume at the same rate when you were separated. You can also change the amount of your contributions at any time.)** Your contributions will go directly to the "G" fund until your TSP-1 information is received in the TSP Service office and an account has been established for you. It takes approximately 1-2 pay periods for the account to be opened.

The TSP Service office will send you a welcome letter. At that time, you will be provided with your own Personal Identification Number (PIN). **Once you receive the welcome letter from the TSP Service office, you may complete a TSP-50, TSP Investment Allocation, and allocate the way you would like your contributions distributed among the five different funds.** The TSP-50 is then mailed directly to the TSP Service office (their address is on the form). *Note: If you have begun the withdrawal of funds from TSP or have given your intent to withdraw (when you are reemployed), the withdrawal will continue.*

As of 2006, the limit on how much you can contribute to TSP will be abolished. However, this does not change the IRS imposed dollar maximums.

If you elected to transfer to FERS, the following applies:

You are immediately eligible to receive agency contributions and you may make TSP contributions at any time. The Agency Automatic (1%) Contribution will begin the pay period that the transfer to FERS becomes effective. If you were making employee contributions when the transfer to FERS became effective, your matching contributions must also begin the pay period that the transfer becomes effective.

TSP Catch-up Contributions

Catch-up contributions are supplemental contributions available to TSP participants **who are age 50 and older.** Catch-up contributions are not subject to the Internal Revenue Service Code's elective deferral limits. Catch-up contributions are not eligible for matching contributions and there is no agency automatic 1% contribution associated with catch-up contributions.

Note: You must be contributing the maximum to your TSP account in order to be eligible to make catch-up contributions.

To elect catch-up contributions, you must complete a TSP-1-C, Catch-Up Contributions Election form.

For more information regarding catch-up contributions, contact your local Human Resources office or go to **www.tsp.gov**.

Beneficiary Forms

The completion of beneficiary forms is a personal choice. A beneficiary is the person(s) who will receive any money that is payable to you upon your death. The money that you can designate from your Federal benefits is your unpaid salary and lump-sum annual leave, Thrift Savings Plan (TSP) account, Federal Employees' Group Life Insurance (FEGLI), and Federal Employees Retirement System (FERS) or Civil Service Retirement System (CSRS).

It is important to update your beneficiary forms whenever you have a life event such as divorce.

If you do not designate a beneficiary (ies), money payable upon your death will be paid under the following Federal Order of Precedence:

- Your spouse. If none, then to
- Your children (or descendants of deceased children) in equal shares. If none, then to
- Your parents, in equal shares. If none, then to
- The executor or administrator of your estate. If none, then to
- The next of kin according to the laws of the state in which you resided at the time of your death.

The forms for designating beneficiaries are:

SF-1152, Designation of Beneficiary (Unpaid Compensation of Deceased Civilian Employee);

TSP-3, Thrift Savings Plan Designation of Beneficiary;

SF-2823, Designation of Beneficiary (Federal Employees' Group Life Insurance); and

SF-3102, Designation of Beneficiary (Federal Employees Retirement System).

You may obtain any of the above standard forms by visiting OPM's Web site at **www.opm.gov/insure/designations/index.asp**.

The TSP-3 form can be obtained by going to the TSP Web site at **www.tsp.gov**.

Leave Entitlement

As a Federal employee, you are entitled to immediately accrue annual and sick leave.

Exception: Intermittent employees are not entitled to accrue annual or sick leave.
Annual Leave: The annual leave accrual rate for full-time employees covered under Title 5 is based on length of service (Federal and military) as follows:

- Less than 3 years – 4 hours per pay period, or 13 days a year

- 3 but less than 15 years – 6 hours per pay period, or 20 days a year

- 15 years or more – 8 hours per pay period, or 26 days a year

Part-time employees on a regularly scheduled tour of duty earn leave on a prorated basis according to the number of hours worked.

Sick Leave: The earning rate for sick leave will differ based on the type of work schedule as shown below:

- Full-time – 4 hours per pay period

- Part-time – 1 hour for every 20 hours

Leave Accrual for Title 38 Employees

Annual Leave: Full-time nurses, nurse anesthetists, physician assistants, and expanded-function dental auxiliaries earn 26 days per year. Physicians, dentists, podiatrists, optometrists, and chiropractors receive 30 days each year.

Unused annual leave may be carried over into the next leave year with maximum limitations of 240 hours for Title 5 employees, 685 hours for nurses (et al), and 120 days for physicians (et al).

Sick Leave: Physicians, dentists, podiatrists, optometrists, and chiropractors receive 15 calendar days of sick leave per year.

Full-time nurses, nurse anesthetists, physician assistants, and expanded-function dental auxiliaries accrue sick leave at the rate of 4 hours per pay period (13 days in a leave year).

Employee Express (EEX)

Employee Express (EEX) is an easy, convenient system that allows you to make changes to your own benefits and personal information through the Internet and Interactive Voice Response System.

You can access EEX either at work or at home by using the Internet or telephone. EEX allows you to change things like your address, Federal and state withholdings, direct deposit, financial allotments, Thrift Savings Plan, health coverage, Savings Bonds, and more. EEX is private and secure.
All you need to start using EEX is your Social Security Number (SSN) and a Personal Identification Number (PIN). To obtain your PIN, visit **www.employeeexpress.gov** or call the help desk at 1-800-414-5272 to get your PIN sent directly to you.

Important Web Addresses

Retirement: www.opm.gov/retire

Health Insurance: www.opm.gov/insure/index.html

Life Insurance: www.opm.gov/insure/index.html

Thrift Savings Plan: www.tsp.gov

Social Security: www.ssa.gov

OPM: www.opm.gov

Employee Express (EEX): www.employeeexpress.gov

VA Benefits Home Page:
http://vaww1.va.gov/ohrm/Benefits/Benefits.htm